

A Resolution

NO. _____

AUTHORIZING AND EXPANDING FORT WORTH PUBLIC IMPROVEMENT DISTRICT NO. 18 (TOURISM PID) TO INCLUDE ADDITIONAL HOTELS AND TAKING CERTAIN OTHER ACTIONS CONCERNING THE DISTRICT

WHEREAS, the Public Improvement District Assessment Act, Chapter 372 of the Texas Local Government Code (“Act”) allows for the establishment of public improvement districts;

WHEREAS, on August 29, 2017, the City Council adopted Resolution No. 4837-08-2017, establishing Fort Worth Public Improvement District 18 – Tourism (“Tourism PID”) (“Establishing Resolution”);

WHEREAS, a petition (“Petition”) was submitted to the City of Fort Worth, Texas (“City”), pursuant to the Act, requesting to expand the Tourism boundaries to include additional hotel properties within Tourism PID and has been on file in the office of the City Secretary for public inspection;

WHEREAS, pursuant to Section 372.009 of the Act, the City provided notice and publication of a public hearing to be conducted on August 18, 2020 to consider the expansion of the Tourism PID (“Public Hearing”), which notice and publication included the following: (i) time and place of the public hearing; (ii) general nature of the proposed improvements and services; (iii) estimated costs of the improvements and services; (iv) expanded boundaries of the Tourism PID; (v) proposed method of assessment; and (vi) proposed apportionment of cost between the additional hotel properties in Tourism PID and the City;

WHEREAS, notice of the Public Hearing was published on August 2, 2020 in the Fort Worth *Star-Telegram*, a newspaper of general circulation in the City, and was also mailed on July 31, 2020 to all record owners of property in the Tourism PID liable for assessment, and all persons desiring to be heard were given a full and fair opportunity to be heard at the Public Hearing;

WHEREAS, the City Council conducted and adjourned the Public Hearing to consider the expansion of the Tourism PID; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FORT WORTH, TEXAS:

1. Recitals.

The findings set forth in the recitals of this Resolution are found to be true and correct.

2. **Findings.**

The City Council, after duly considering the evidence and testimony presented at the Public Hearing and based on all information known by the City Council, hereby makes the following findings:

2.1 **Petition and Boundaries.**

- (a) The current boundaries of the Tourism PID consist of noncontiguous areas authorized under Section 372.0035 of the Act consisting solely of hotel properties with 100 or more rooms ordinarily used for sleeping within the City of Fort Worth. A list of the original hotels that are included within the boundaries of the Tourism PID is included in the Establishing Resolution.
- (b) Section 372.0121 of the Act allows the City Council to include additional properties in the Tourism PID if (i) the property is a hotel and (ii) the property could have been included in the Tourism PID without violating Section 372.005(b-1) of the Code when the Tourism PID was created regardless of whether the record owners of the property signed the original petition. As evidenced below, the hotel properties set forth in **Exhibit “A”**, which is attached hereto and incorporated herein for all purposes (“Additional Hotel Properties”), meet the necessary elements for inclusion into the Tourism PID.
 - (i) The Additional Hotel Properties to be included in the Tourism PID as part of this Resolution are all hotel properties.
 - (ii) The City Council found that the original petition for the Tourism PID was sufficient because it had been signed by record owners of taxable real property liable for assessment that constituted: (a) 73.13% of the appraised value of taxable real property liable for assessment and (b) 62.96% of the area of all taxable real property liable for assessment (*see* Establishing Resolution). The property owners, or their duly authorized representatives, for all of the Additional Hotel Properties have each signed a petition requesting inclusion within the Tourism PID. This results in an increase to 73.9% of appraised value of taxable real property liable for assessment and 64.4% for the area of all taxable real property liable for assessment.

2.2 Advisability and Feasibility of the Improvements and Services Proposed for the Tourism PID. It is advisable to expand the Tourism PID to include the Additional Hotel Properties set forth herein to provide the proposed improvements and services described in the Petition and this Resolution. The improvements and services will promote the interests of the City and confer a special benefit on the assessed properties within the Tourism PID. The Fort Worth Convention and Visitor’s Bureau staff performed an analysis of the Tourism PID, its service plan and strategies, and

concluded that it provides a very effective means for significantly enhancing the ability of Fort Worth to promote its hotel, convention, and tourism activity, which has been borne out since the Tourism PID's establishment. Based on this analysis and the successful history of the Tourism PID, the City finds the proposed tourism public improvement district to be both advisable and feasible.

2.3 Nature of the Improvements and Services. The general nature of the proposed improvements and services to be provided within the expanded boundaries of Tourism PID include, without limitation, marketing, business recruitment, and promotional activities authorized by the Act for improvements and promotion of the Tourism PID, including, but not limited to, the provision of incentives by the Fort Worth Convention and Visitors Bureau to organizations to encourage them to bring large and city-wide events (including, without limitation, meetings, sporting, recreation, and cultural events) to Fort Worth and to fund additional marketing by the Fort Worth Convention and Visitors Bureau to increase hotel stays within the City.

2.4 Estimated Cost of the Improvements and Services. Over the seven (7) year period beginning on October 1, 2020 and ending on the expiration of the Tourism PID as provided in Section 3, the estimated total cost of the improvements and services to be provided by the Tourism PID will be \$37,220,037.00, which includes an estimated cost of \$4,178,453.00 for the 2020-2021 fiscal year.

For the 2020-2021 fiscal year, the estimated cost of the above-referenced improvements and services, and estimated costs to implement such improvements and services is:

Incentives and Sales Efforts	\$1,855,554
Marketing and Research (Promotion/Advertising)	\$1,443,208
Site Visits & Familiarization Tours	\$ 309,259
Cultural Enhancements through Marketing and Promotion of the Arts	\$309,259
Operations and Administration	\$206,173
City Administrative Fee	\$55,000
Total	\$4,178,453

Such estimated costs are reasonable and appropriate. The estimated costs of improvements and services provided in the 2020-2021 fiscal year will be determined in a subsequent annual budget and service plan for the Tourism PID to be approved by the City Council on August 25, 2020, in accordance with Chapter 372 of the Act. Such costs will be paid from assessments levied in accordance with Chapter 372 of the Act. The seven-year service plan proposed for the Tourism PID is attached hereto as **“Exhibit B”**

(“Service Plan”) and incorporated herein for all purposes. The Service Plan budget and assessment amount are subject to annual review and approval by the City Council.

2.5. Method of Assessment. The costs of the improvements and services will be funded from assessments levied on and collected from properties located in the Tourism PID that contain hotels of one hundred (100) or more guest rooms and that are subject to payment of City hotel occupancy taxes pursuant to Chapter 32, Article II of the City Code, as amended. The City will levy a special assessment against the new hotel properties located within the expanded boundaries of the Tourism PID (“Hotel Parcel”) in an amount equal to two percent (2%) of the consideration received for occupancy of any sleeping rooms furnished by a hotel located on a Hotel Parcel (subject to any lawful exemption of the hotel occupancy tax under applicable state law and City ordinances), with such assessments to be collected in the same manner and in accordance with the same procedures as those established for collection of the City’s hotel occupancy tax, as set forth in Chapter 32, Article II of the City Code, as amended. The collection of assessments will be made at the same time hotel occupancy taxes are collected on and after October 1, 2020. The City Council hereby finds that the proposed method of assessment is reasonable and necessary.

2.6. Apportionment of Costs Between the Tourism PID and the City, as a Whole. The apportionment of costs between the Tourism PID, inclusive of the Additional Hotel Properties, and the City, as a whole, is as follows:

- (a) The entire cost of each improvement and service will be paid from assessments levied in accordance with Chapter 372 of the Act.
- (b) No City funds will be used to pay any portion of the cost of any improvement or service, unless such funding is approved from the City Council or other appropriate municipal authority on a case-by-case basis.

3. Inclusion of Additional Hotel Properties within the Tourism PID; Term.

Based on the findings set forth above, the City Council authorizes the expansion of the boundaries of the Tourism PID to include the Additional Hotel Properties. The inclusion of the Additional Hotel Properties within the Tourism PID takes effect on the date on which this Resolution is published in a newspaper of general circulation in the City in accordance with Section 372.010(b) of the Act and will expire concurrently with the expiration date set forth in Section 3 of the Establishing Resolution. The expansion of the Tourism PID is subject to all conditions, limitations, and reservations set forth in the findings in Section 2. All other provisions of this Resolution shall be effective from and after adoption of this Resolution.

4. Advisory Body.

The City Council hereby declines to appoint an advisory body for the expanded Tourism PID boundaries pursuant to Section 372.008 of the Act. The City Council hereby reserves the

right to assign responsibility for preparation of the ongoing service plan for the PID to another entity in the absence of such an advisory body, as authorized by Section 372.013(a) of the Act.

5. Publication.

The City Secretary is hereby directed to publish notice of the City Council's authorization to establish the PID once in a newspaper of general circulation in the City.

ADOPTED this 18th day of August 2020.

ATTEST:

Mary J. Kayser, City Secretary

EXHIBIT A
Expanded Boundaries of the Tourism PID
(Additional Hotel Properties)

Account Name	Address	City, State, Zip	RMS
Moon Hotel Alliance, Hyatt Place	3201 Alliance Town Center	Fort Worth, TX 76117	130
OGC Main Street, Spring Hill Suites	2315 N. Main Street	Fort Worth, TX 76164	170
AC Hotel Fort Worth Downtown	101 West 5 th Street/610 Main Street	Fort Worth, TX 76102	252
Kimpton Hotel	714 Main Street	Fort Worth, TX 76102	232
Hyatt Place Fort Worth, TCU	2500 West Berry Street	Fort Worth, TX 76109	127

EXHIBIT B Service Plan

Fort Worth Tourism Public Improvement District

Fiscal Year

TPID Collections
Use of Fund Balance

Budget Revenues

Petition Categories

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>7- Year</u>
TPID Collections	\$ 4,178,453	\$ 4,746,249	\$ 5,102,218	\$ 5,408,351	\$ 5,678,768	\$ 5,934,313	\$ 6,171,685	\$ 37,220,037
Use of Fund Balance								
Budget Revenues								
<u>Petition Categories</u>	<u>Estimated</u>	<u>Estimated</u>	<u>Estimated</u>	<u>Estimated</u>	<u>Estimated</u>	<u>Estimated</u>	<u>Estimated</u>	<u>Estimated</u>
Incentives & Sales Efforts	\$ 1,855,554	\$ 2,111,062	\$ 2,271,248	\$ 2,409,008	\$ 2,530,696	\$ 2,645,691	\$ 2,752,508	\$ 16,575,767
Marketing and Research (Promotion/ Advertising)	\$ 1,443,208	\$ 1,641,937	\$ 1,766,526	\$ 1,873,673	\$ 1,968,319	\$ 2,057,760	\$ 2,140,840	\$ 12,892,262
Site Visits & Familiarization Tours	\$ 309,259	\$ 351,844	\$ 378,541	\$ 401,501	\$ 421,783	\$ 440,948	\$ 458,751	\$ 2,762,628
Cultural Enhancements through Marketing and promotion of the Arts	\$ 309,259	\$ 351,844	\$ 378,541	\$ 401,501	\$ 421,783	\$ 440,948	\$ 458,751	\$ 2,762,628
Operations & Administration	\$ 206,173	\$ 234,562	\$ 252,361	\$ 267,668	\$ 281,188	\$ 293,966	\$ 305,834	\$ 1,841,752
City Administrative Fee	\$ 55,000	\$ 55,000	\$ 55,000	\$ 55,000	\$ 55,000	\$ 55,000	\$ 55,000	\$ 385,000
	\$ 4,178,453	\$ 4,746,249	\$ 5,102,218	\$ 5,408,351	\$ 5,678,768	\$ 5,934,313	\$ 6,171,685	\$ 37,220,037